

## Message Text

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16

ACTION EA-10

INFO OCT-01 ISO-00 NEA-09 EB-07 XMB-02 AGR-05 CIAE-00

INR-07 NSAE-00 L-02 /043 W

----- 106862

R 270355Z FEB 75

FM AMEMBASSY JAKARTA

TO AMEMBASSY KUWAIT

INFO SECSTATE WASHDC 6790

USDOC

AMCONSUL HONG KONG

AMEMBASSY SINGAPORE

AMCONSUL MEDAN

AMCONSUL SURABAYA

LIMITED OFFICIAL USE JAKARTA 2440

DEPT PASS EXIM

STATE FOR EA/IMS GEBER

USDOC FOR MEPD

HONG KONG FOR RAND

E.O. 11652: N/A

TAGS: BEXP ID

SUBJ: SUGAR MILL CONSTRUCTION

REFS: A) JAKARTA 2080 B) KUWAIT 0475

1. AS PROMISED REF A WE POUCHED BANUWANGI SUGAR PROJECT PROPOSAL TO EMBASSY KUWAIT 2/20/75 AND AWAIT YOUR COMMENTS RE KUWAITI INTEREST. ALSO WORK PROGRESSING ON OTHER TWO PRIVATE PROJECTS PROPOSALS MENTIONED REF A.

2. IN MEANTIME, EMBASSY APPROACHED BY NAHAR ZAHIRUDDIN, EXECUTIVE DIRECTOR, P.D. & I. MARISON N.V. RE FINANCING FOR STILL ANOTHER PRIVATE SUGAR PROJECT. ZAHIRUDDIN MEMBER TOP MANAGEMENT OF INDONESIA'S LEADING DAIRY PRODUCTS FIRM P.T. INDOMILK AND IS WELL KNOWN AND RESPECTED BY EMBASSY SSTAFF.

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3. HE INDICATED MARISON HAS TITLE TO 8,989 HECTAR SITE AT CAMING (BONE) SOUTH SULAWESI AND IS ATTEMPTING LAUNCH MAJOR SUGAR PROJECT. THEO H. DAVIES LTD. OF HAWAII AND DAVIES' PARENT JARDINE MATHISON (HONG KONG) HAVE EXAMINED SITE, SUBMITTED PRELIMINARY ANALYSIS INDICATING GENERAL AGRONOMICAL FEASIBILITY OF JOINT VENTURE WITH MARISON IN PROJECT. THEY FOUND PRESENT HECTARAGE ADEQUATE FOR PLANT PROCESSING 4541 TPD CANE. HOWEVER, ACQUISITION ADDITIONAL SURROUNDING LAND WOULD ALLOW PRODUCTION CAPACITY RISE TO 9082 TPD. COST FOR PROJECT IN THIS RANGE (4541-9082 TPD) ESTIMATED TO BE \$50-60 MILLION. TATE AND LYLE ALSO HAVE FAVORABLY EVALUATED SITE.

4. MARISON INTENDS INVEST ABOUT \$6 MILLION EQUITY, JARDINE/DAVIES SHARE UNDETERMINED, BUT THEY WANT MANAGEMENT CONTRACT. SOURCE OF EQUIPMENT STILL UNDETERMINED; BUT ZAHIRUDDIN INDICATED THAT IF DAVIES BECAME JOINT VENTURE PARTNER, US SOURCING COULD BE STRONG POSSIBILITY. MAIN THING REQUIRED AT THIS POINT, HOWEVER, IS ADDITIONAL FINANCING.

5. WE SUGGESTED ZAHIRUDDIN TALK WITH BANK AMERICA HERE AND EXPLORE EXIM BANK POSSIBILITIES, PARTICULARLY SINCE PLANS CALL FOR EXPORTING MAXIMUM ALLOWED PORTION OUTPUT. WE ALSO MENTIONED POSSIBILITY OF KUWAITI FINANCING, PERHAPS IN CONJUNCTION WITH BANK AMERICA AND/OR EXIM. ZAHIRUDDIN VERY INTERESTED IN KUWAITI POSSIBILITY, INCLUDING EQUITY PARTICIPATION, AND WOULD LIKE TO MEET APPROPRIATE KUWAIT OFFICIALS TO DISCUSS. IF KUWAITI REPRESENTATIVES DO NOT RPT NOT PLAN VISIT INDONESIA DURING PERIOD OF US TASK FORCE VISIT, AS SUGGESTED REF A, THE ZAHIRUDDIN WOULD LIKE TRAVEL TO KUWAIT. HE AVAILABLE IMMEDIATELY FOLLOWING TASK FORCE VISIT, I.E., ANYTIME AFTER MARCH 7.

6. PLEASE ADVISE WHETHER EMBASSY KUWAIT CAN ARRANGE APPROPRIATE MEETINGS FOR HIM. ALSO, CAN YOU ADVISE WHETHER FEASIBLE ARRANGE SUCH MEETINGS ON SHORT NOTICE IN CONJUNCTION WITH UPCOMING VISIT GOI MINISTER INDUSTRY JUSUF, WHO HAS ASKED ZAHIRUDDIN ACCOMPANY HIM TO NUMBER COUNTRIES INCLUDING KUWAIT BUT HAS YET SPECIFY DATES. ZAHIRUDDIN QUITE PREPARED COME ON HIS OWN IF NECESSARY IN ORDER ASSURE SEEING APPROPRIATE KUWAITI OFFICIALS. IF EMBASSY RECOMMENDS SEPARATE VISIT, PLEASE SUGGEST DATES.

NEWSOM

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
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**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
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**Disposition Approved on Date:**  
**Disposition Authority:** CunninFX  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
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**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 75 JAKARTA 2080, 75 KUWAIT 0475  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** CunninFX  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 11 JUL 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <11 JUL 2003 by CunninFX>; APPROVED <14 NOV 2003 by CunninFX>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
05 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** SUGAR MILL CONSTRUCTION  
**TAGS:** BEXP, ID  
**To:** KUWAIT  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006